



Inducing Patent Infringement: The Supremes May Be “Directly” Back in the Limelight

Client Advisories

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The decade long patent infringement battle between Akamai Technologies and Limelight Networks should be of more than fleeting interest to website proprietors and internet businesses, especially since the case might well be back in the arms again of the United States Supreme Court for an encore this year. While the legal theories of induced and direct infringement may seem arcane, the business methodology at issue is ubiquitous and the ramifications of a determination of infringement can be crucial to internet based content providers and eCommerce businesses.

Our Patent Law (at 35 U.S.C. § 271) provides for a number of ways to infringe a United States patent, including: “[W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent...and [w]hoever actively induces infringement of a patent shall be liable as an infringer.” While there are other ways as well to infringe a US patent, these two, the first of which defines “directly infringing” and the second defines “inducing infringement,” are the most prevalent ways, and are the ways at issue when the steps of a “business method patent” are performed by more than one person or entity.

In 2006, Akamai asked a federal district court to stop Limelight in the name of infringement of a method claim of US Patent 6,108,703 on internet content delivery. Infringement of the claim requires completing these four steps: (1) distributing a set of page objects across a network; (2) tagging embedded objects of the page; and, in response to a client request for an embedded object, (3) resolving the client request and (4) returning to the client an IP address. The district court decided that there was no direct infringement of the patent because, even though Limelight’s content delivery system completed three of the steps, Limelight’s customers had to do the tagging themselves. Six year later, the Federal Circuit (that handles appeals from the district courts on patent matters) agreed as to there being no direct infringement, but found that Limelight had induced infringement by carrying out most of the steps of the method and encouraging others to carry out the remaining step.

The Supreme Court disagreed strongly in 2014, saying that “the Federal Circuit’s analysis fundamentally misunderstands what it means to infringe a method patent” and held that “inducement liability may arise....if, but only if, [there is]...direct infringement.” While Limelight heard the court’s symphony-like sounds that it had no liability for inducement, the Supreme Court remanded the case, giving the Federal Circuit “the opportunity to revisit the [direct infringement] question.”

And revisit it, they did; the Federal Circuit decided to “avail ourselves of that opportunity” by sitting en banc last August and, proving that you can’t hurry justice, reversed the district court’s nine year old judgment of non-infringement, saying: “We conclude, on the facts of this case, that [direct infringement] liability can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance.” Limelight, once again labeled an infringer, but this time a direct one, petitioned the Supreme Court for a writ of certiorari at the end of January of this year, presenting the following question:

“Whether the Federal Circuit erred in holding that a defendant may be held liable for directly infringing a method patent based on the collective performance of method steps by multiple independent parties, even though the performance of all the steps of the method patent is ‘not attributable to any one person’ under traditional vicarious-liability standards.”

Whether the Limelight starts shining, whether the Supreme Court will decide to go for an encore, or just keep us hangin’ on, is a matter of conjecture, but the complex issues related to infringing business method patents for web-based content providers and internet commercial sites don’t just go in and out of style. A claim of patent infringement can sometimes be avoided with preplanning based on analysis and “engineering around”; otherwise, such a claim may just bring nothing but heartaches.

If you have questions about patents or other related intellectual property issues, please contact [Gregory J. Winsky](#) or a member of Archer & Greiner’s [Intellectual Property Group](#) in Haddonfield, N.J., at (856) 795-2121, in Philadelphia, Pa., at (215) 963-3300, in Princeton, N.J., at (609) 580-3700, in Hackensack, N.J., at (201) 342-6000, or in Wilmington, Del., at (302) 777-4350.

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